



KING WAN CORPORATION LIMITED

Incorporated in Singapore (Company Registration No. 200001034R)

Third Quarter & Nine Months Results – Financial Statement And Related Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

**KING WAN CORPORATION LIMITED
STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME
FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

		GROUP 9 MONTHS ENDED 31 DECEMBER				GROUP QUARTER ENDED 31 DECEMBER		
	Note	2017 S\$	2016 S\$	Increase/ (Decrease)		2017 S\$	2016 S\$	Increase/ (Decrease)
Revenue	1	56,459,530	61,820,866	-9%		22,927,065	22,398,063	2%
Cost of sales		(48,622,481)	(54,744,349)	-11%		(20,498,168)	(21,092,205)	-3%
Gross profit	2	7,837,049	7,076,517	11%		2,428,897	1,305,858	86%
Other operating income								
Dividend income		9,511	9,432	1%		-	-	n.m
Exchange gain		-	312,911	-100%		-	252,197	-100%
Gain on disposal of plant and equipment	3	228,385	-	n.m		51,779	-	n.m
Interest income	4	701,234	964,242	-27%		240,254	262,584	-9%
Management fee income		89,211	81,914	9%		29,610	27,549	7%
Rental income		546,350	529,143	3%		151,130	152,953	-1%
Fee income from financial guarantees to associates	5	235,405	673,674	-65%		78,469	114,441	-31%
Sundry income		95,986	222,283	-57%		20,478	145,579	-86%
		1,906,082	2,793,599	-32%		571,720	955,303	-40%
Administrative expenses	6	(4,456,108)	(5,214,301)	-15%		(1,094,031)	(1,302,292)	-16%
Allowance for amount due from associate	7	(3,085,000)	(2,065,673)	49%		(3,085,000)	(1,995,368)	55%
Share of profit (loss) of associates	8	160,892	538,328	-70%		204,408	(1,990,230)	-110%
Finance costs	9	(638,921)	(1,114,322)	-43%		(195,859)	(207,767)	-6%
Profit (Loss) before income tax		1,723,994	2,014,148	-14%		(1,169,865)	(3,234,496)	-64%
Income tax expense	10	(1,216,540)	(729,915)	67%		(517,689)	(131,356)	294%
Profit (Loss) for the period		507,454	1,284,233	-60%		(1,687,554)	(3,365,852)	-50%
Other comprehensive income:								
<i>Items that may be reclassified subsequently to profit or loss</i>								
Exchange differences on translation of foreign operations		22,473	(12,637)	-278%		7,619	(17,093)	-145%
Fair value adjustment of available-for-sale investments	11	222,366	973,245	-77%		2,071,739	2,133,217	-3%
Other comprehensive income for the period		244,839	960,608	-75%		2,079,358	2,116,124	-2%
Total comprehensive income (loss) for the period		752,293	2,244,841	-66%		391,804	(1,249,728)	-131%

Third Quarter (3Q2018) and 9 months ended 31 December 2017 (9M2018)

Note 1 - The decrease in turnover was due to lower volume of Mechanical and Electrical (M&E) contracts in progress during the current period.

Note 2 - Profits of certain projects with relatively higher margin were recognised in 9M2018.

Note 3 - Gain was derived from disposal of certain existing older fleet of motor vehicles.

Note 4 - Lower interest income from loans to associates was mainly due to repayment of loans by associates.

Note 5 - Lower fee income from financial guarantees was due to certain associates utilising lesser bank borrowings.

Note 6 - Included in administration expenses are the following:

		GROUP 9 MONTHS ENDED			QUARTER 3 MONTHS ENDED		
		31.12.2017 S\$	31.12.2016 S\$	Increase/ (Decrease) S\$	31.12.2017 S\$	31.12.2016 S\$	Increase/ (Decrease) S\$
Reversal of allowance for doubtful trade receivables	i	(606,683)	(189,989)	(416,694)	(8,329)	(161,638)	153,309
Loss on disposal of property, plant and equipment		-	3,636	(3,636)	-	1,984	(1,984)
Change in fair value on held-for-trading investments		24,508	31,947	(7,439)	13,534	(24,615)	38,149
JTC rental		209,611	201,533	8,078	69,870	67,164	2,706
Property tax		97,500	97,500	-	32,500	32,500	-
Allowance for inventory obsolescence		-	-	-	-	-	-
Net foreign exchange loss	ii	168,708	-	168,708	59,759	-	59,759
Directors remuneration	iii	754,407	907,752	(153,345)	211,768	116,878	94,890
Directors fees		123,167	132,001	(8,834)	38,000	44,001	(6,001)
Staff related expenses	iv	1,723,602	1,781,960	(58,358)	565,093	486,257	78,836
Depreciation	v	608,132	861,499	(253,367)	232,403	274,554	(42,151)

i. Reversal of allowances for trade receivables which were deemed no longer required.

ii. Higher net foreign exchange loss was due to weakening of USD against SGD during the current period.

iii. Lower directors' remuneration was mainly due to adjustments made to salaries.

iv. Higher staff related expenses was mainly due to adjustments made to staff salaries.

v. Lower depreciation was mainly due to extension of JTC lease at 8 Sungei Kadut Loop till Year 2025.

Note 7 - Allowance for amount due from associates was made in relation to the property development in Dalian, China.

Note 8 - Lower share of profits of associates was due to lower share of profits from the Group's investment in the Skywoods, a residential development project in Singapore, which has been fully completed and sold in the prior period. This was partially offset with operating losses from the Group's investment in real estate business in Thailand.

Note 9 - There was lower utilisation of bank facilities to finance the Group's business activities in the current period.

Note 10 - Higher effective tax rate was due to increase in expenses that are not allowed for deduction and lower share of profits of associates that is not subject to tax.

Note 11 - Fair value gain on available-for-sale investments was due to higher closing market price of quoted equity securities at the end of the current period.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

KING WAN CORPORATION LIMITED (GROUP)
STATEMENT OF FINANCIAL POSITION

	As at 31.12.2017	As at 31.3.2017
	S\$	S\$
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	4,918,848	13,130,401
Trade receivables	17,912,687	10,649,491
Other receivables and prepayments	12,113,865	12,051,199
Construction work-in-progress	14,224,430	13,346,528
Inventories	911,898	706,622
Held-for-trading investments	302,171	326,679
Total current assets	50,383,899	50,210,920
Non-current assets		
Property, plant and equipment	5,028,355	3,990,780
Other receivables	38,633,660	35,996,653
Available-for-sale investments	32,218,569	32,225,051
Investment in associates and a joint venture	3,022,563	2,861,671
Total non-current assets	78,903,147	75,074,155
Total assets	129,287,046	125,285,075
<u>LIABILITIES AND EQUITY</u>		
Current Liabilities		
Bank borrowings	17,124,786	19,402,370
Trade payables	12,170,403	11,270,833
Bills payables	10,725,405	9,772,282
Provision for rectification costs	1,285,366	912,533
Other payables	3,521,652	2,163,453
Construction work-in-progress	2,840,732	3,294,993
Income tax payable	1,396,539	1,603,483
Current portion of finance leases	264,173	272,396
Total current liabilities	49,329,056	48,692,343
Non-current liabilities		
Finance leases	762,007	179,359
Bank borrowings	3,327,456	1,299,144
Deferred tax liabilities	24,359	24,359
Total non-current liabilities	4,113,822	1,502,862
Capital and reserves		
Share capital	46,813,734	46,813,734
Retained earnings	29,273,617	28,764,158
Foreign currency translation reserve	(1,053,288)	(1,075,761)
Investment revaluation reserve	810,105	587,739
Total equity	75,844,168	75,089,870
Total liabilities and equity	129,287,046	125,285,075

KING WAN CORPORATION LIMITED (COMPANY)
STATEMENT OF FINANCIAL POSITION

	As at	As at
	31.12.2017	31.3.2017
	S\$	S\$
ASSETS		
Current assets:		
Cash and cash equivalents	386,327	789,250
Amount due from subsidiaries	6,974,102	6,923,284
Other receivables and prepayments	7,692	12,324
Total current assets	7,368,121	7,724,858
Non-current assets:		
Investment in subsidiaries	30,199,413	26,399,413
Investment in associates and a joint venture	941,960	941,960
Available-for-sale investments	24,866,732	24,687,834
Property, plant and equipment	-	-
Total non-current assets	56,008,105	52,029,207
Total assets	63,376,226	59,754,065
LIABILITIES & EQUITY		
Current liabilities:		
Other payables	1,309,931	1,418,463
Income tax payable	1,552	51,916
Amount due to a subsidiary	10,162,850	5,742,440
Total current liabilities	11,474,333	7,212,819
Capital and reserves:		
Share capital	46,813,734	46,813,734
Retained earnings	4,429,292	5,247,543
Investment revaluation reserve	658,867	479,969
Total equity	51,901,893	52,541,246
Total liabilities and equity	63,376,226	59,754,065

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

31.12.2017		31.3.2017	
Secured	Unsecured	Secured	Unsecured
\$264,173	\$27,850,191	\$272,396	\$29,174,652

Amount repayable after 1 year

31.12.2017		31.3.2017	
Secured	Unsecured	Secured	Unsecured
\$762,007	\$3,327,456	\$179,359	\$1,299,144

Details of any collateral

Secured liabilities refer to assets purchased under finance lease agreements. Unsecured liabilities refer to banking facilities guaranteed by the Company.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

KING WAN CORPORATION LIMITED
STATEMENT OF CASHFLOWS

	GROUP 9 MONTHS ENDED		GROUP QUARTER ENDED	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Note	S\$	S\$	S\$	S\$
Operating Activities				
Profit (Loss) before income tax	1,723,994	2,014,148	(1,169,865)	(3,234,496)
Adjustments for				
(Gain) Loss on disposal of property, plant and equipment	(228,385)	3,636	(51,779)	1,984
Gain on disposal of available-for-sale investments	(11,782)	-	(4,544)	-
Reversal of allowance for doubtful trade receivables	(606,683)	(189,989)	(605,934)	(161,638)
Change in fair value of held-for-trading investments	24,508	31,947	13,534	(24,615)
Depreciation of property, plant and equipment	608,132	861,499	232,403	274,554
Dividend income from available-for-sale investments	(458,549)	(425,433)	-	-
Dividend income from held-for-trading investments	(9,511)	(9,432)	-	-
Interest expense	656,148	1,114,322	213,086	207,767
Interest income	(701,234)	(964,242)	(240,254)	(262,584)
Provision for rectification costs	472,893	321,073	424,143	7,940
Share of (profit) loss of associates	(160,892)	(538,328)	(204,408)	1,990,230
Fee income from financial guarantee to associates	(235,405)	(673,674)	(78,469)	(114,441)
Allowance for amounts due from associates	3,085,000	2,065,673	3,085,000	1,995,368
Operating profit before working capital changes	4,158,234	3,611,200	1,612,913	680,069
Construction work-in-progress	(1,332,163)	444,128	1,462,884	445,902
Inventories	(205,276)	309,421	53,480	35,259
Other payables	1,682,381	(141,136)	618,807	208,163
Other receivables and prepayments	(58,684)	67,689	17,163	80,685
Trade payables and bill payables	1,852,693	(20,689,481)	2,118,206	(2,551,415)
Provision for rectification costs	(100,060)	(190,284)	(28,709)	(144,820)
Trade receivables	(6,656,513)	(2,029,471)	(4,150,339)	(137,971)
Cash used in operations	(659,388)	(18,617,934)	1,704,405	(1,384,128)
Income tax paid	(1,423,484)	(1,887,819)	(558,532)	(883,818)
Interest paid	(656,148)	(1,114,322)	(213,086)	(207,767)
Net cash used in operating activities	(2,739,020)	(21,620,075)	932,787	(2,475,713)
INVESTING ACTIVITIES				
Net (advances to) repayments from associates	(5,155,000)	30,995,376	(2,085,000)	(1,359,446)
Dividends received from available-for-sale investments	458,549	425,433	-	-
Dividends received from held-for-trading investments	9,511	9,432	-	-
Interest received	11,994	46,019	4,121.00	13,467
Purchase of held-for-trading investments	-	(231,375)	-	13,914
Proceeds from disposal of available-for-sale investments	240,630	250,000	-	250,000
Proceeds from disposal of property, plant and equipment	235,593	-	55,000.00	-
Purchase of property, plant and equipment	(751,094)	(336,656)	(83,829.00)	(19,165)
Net cash (used in) from investing activities	(4,949,817)	31,158,229	(2,109,708)	(1,101,230)
FINANCING ACTIVITIES				
Dividends refunded (paid)	2,005	(1,745,884)	2,005	(1,745,884)
Repayment of obligations under finance leases	(327,396)	(236,768)	(115,689)	(80,580)
Proceeds from bank borrowings	5,500,000	-	2,750,000	-
Repayment of bank borrowings	(5,749,272)	(6,164,099)	(3,308,026)	1,891,075
Net cash used in financing activities	(574,663)	(8,146,751)	(671,710)	64,611
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(8,263,500)	1,391,403	(1,848,631)	(3,512,332)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	13,130,401	5,567,519	6,743,135	10,465,010
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON BALANCES HELD IN FOREIGN CURRENCIES	51,947	(34,045)	24,344	(27,801)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,918,848	6,924,877	4,918,848	6,924,877

Note a

	31.12.2017	31.12.2016
	S\$	S\$
Purchase of property, plant and equipment	1,652,915	598,051
Less : Assets purchased under finance leases arrangement	(901,821)	(261,395)
Net	751,094	336,656

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

STATEMENT OF CHANGES IN EQUITY

GROUP	Share capital	Retained earnings	Foreign currency translation reserve	Investment revaluation reserve	Total
	S\$	S\$	S\$	S\$	S\$
Balance as at 1 April 2016	46,813,734	29,506,795	-	100,905	76,421,434
Dividends paid	-	(1,745,884)	-	-	(1,745,884)
Total comprehensive income for the period	-	1,284,233	973,245	(12,637)	2,244,841
Balance as at 31 December 2016	46,813,734	29,045,144	973,245	88,268	76,920,391
Balance as at 1 April 2017	46,813,734	28,764,158	(1,075,761)	587,739	75,089,870
Dividends refunded	-	2,005	-	-	2,005
Total comprehensive income for the period	-	507,454	22,473	222,366	752,293
Balance as at 31 December 2017	46,813,734	29,273,617	(1,053,288)	810,105	75,844,168

COMPANY	Share capital	Retained earnings	Investment revaluation reserve	Total
	S\$	S\$	S\$	S\$
Balance as at 1 April 2016	46,813,734	(1,154,296)	-	45,659,438
Dividends paid	-	(1,745,884)	-	(1,745,884)
Total comprehensive income for the period	-	9,632,874	750,496	10,383,370
Balance as at 31 December 2016	46,813,734	6,732,694	750,496	54,296,924
Balance as at 1 April 2017	46,813,734	5,247,543	479,969	52,541,246
Dividends refunded	-	2,005	-	2,005
Total comprehensive income for the period	-	(820,256)	178,898	(641,358)
Balance as at 31 December 2017	46,813,734	4,429,292	658,867	51,901,893

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There are no changes in the Company's share capital since the end of the previous period reported on.

As at 31 December 2017, the Company does not have any outstanding convertibles or treasury shares (as at 31 December 2016 : Nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares as at the end of 31 December 2017 is 349,176,870 (as at 31 March 2017 : 349,176,870).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

As at 31 December 2017, the Company does not have any treasury shares.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial reporting period as those applied in the preparation of the audited financial statements for the financial year ended 31 March 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group		Group	
	9 months ended		Quarter ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
(i) Basic earnings per share (in cents)	0.15	0.37	(0.48)	(0.96)
Weighted Average Number of Shares	349,176,870	349,176,870	349,176,870	349,176,870
(ii) Diluted earnings per share (in cents)	0.15	0.37	(0.48)	(0.96)
Weighted Average Number of Shares	349,176,870	349,176,870	349,176,870	349,176,870

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	As at		As at	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Net Asset Value Per Ordinary Share (in cents)	21.72	22.03	14.86	15.55
Number of Shares	349,176,870	349,176,870	349,176,870	349,176,870

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

9 months ended 31 December 2017 (9M2018) and Third Quarter ended 31 December 2017 (3Q2018)

The Group's revenue for 9M2018 recorded S\$56.46 million, a decrease of 9% compared to the corresponding period last year (9M2017). There was comparatively lower volume of ongoing Mechanical and Electrical (M&E) contracts during 9M2018 available for revenue recognition. Gross profit margin for 9M2018 was 13.88%, which was slightly higher than the 11.45% achieved in 9M2017.

Revenue for 3Q2018 recorded S\$22.93 million, a 2% increase compared to the corresponding quarter last year (3Q2017). The increase was due to higher revenue recognition as a result of more M&E engineering activities being carried out in 3Q2018 as compared to 3Q2017.

The Group's net profit after income tax for 9M2018 was S\$0.51 million, compared to a net profit of S\$1.28 million achieved in 9M2017. This was mainly due to higher allowance made for amounts due from associate and lower share of profit from its investment in Singapore residential development project, which was partially offset by lower finance costs.

Net profit after income tax for 3Q2018 was S\$1.69 million, a decrease of 50% compared to the corresponding period last year (3Q2017). This was mainly due to higher allowance made for amounts due from associate and lower operating income, which was partially offset with the share of profit in associates.

Earnings Per Share (EPS) and Net Asset Value Per Share (NAV)

EPS for 9M2018 was 0.15 cents, compared to 0.37 cents in 9M2017. EPS for 3Q2018 was -0.48 cents, compared to -0.96 cents in 3Q2017.

NAV for the Group stood at 21.72 cents per share at 31 December 2017, an increase from 21.50 cents per share at 31 March 2017.

Balance Sheet Review

The Group's equity base stood at S\$75.84 million as at 31 December 2017, an increase from S\$75.09 million as at 31 March 2017.

Total current assets amounted to S\$50.38 million as at 31 December 2017, slightly higher than the S\$50.21 million as at 31 March 2017.

Non-current assets decreased to S\$78.90 million from S\$75.07 million. The increase was mainly due to loans made to associates, accrual of interests on loans and purchase of fixed assets during the current period. This is partially offset with allowance made for amounts due from associate.

Current liabilities increased to S\$49.33 million from S\$48.69 million was mainly due to accrual of staff benefits for the current period.

Non-current liabilities increased to S\$4.11 million from S\$1.50 million due to drawdown of term loans to finance the Group's M&E engineering activities and an increase in finance leases subsequent to the purchase of motor vehicles during the current period.

The debt-equity ratio increased to 0.42 as at 31 December 2017 as compared to 0.41 as at 31 March 2017 was due to the increase in bank borrowings and finance leases.

Cashflows & Liquidity

Third Quarter and 9 months ended 31 December 2017 (3Q2018 and 9M2018)

Net cash used in operating activities amounted to S\$2.74 million in 9M2018 (9M2017: S\$21.62 million) and inflow of S\$0.93 million in 3Q2018 (3Q2017: outflow of S\$2.48 million). The lower outflow in 9M2018 was mainly due to lesser repayment of trade and bill payables made in the current period.

Net cash used in investing activities amounted to S\$4.95 million in 9M2018 (9M2017: inflow of S\$31.16 million) and S\$2.11 million in 3Q2018 (3Q2017: S\$1.10 million). The outflow in 9M2018 was mainly due to loans extended to associates of the Group during the current period, compared to the inflow in 9M2017 as a result of repayment of loans by associates to the Group upon completion of sale of their development projects.

Net cash used in financing activities amounted to S\$0.57 million in 9M2018 (9M2017: S\$8.15 million) and S\$0.67 million in 3Q2018 (3Q2017: inflow of S\$0.1 million). The lower outflow in 9M2018 was due to lesser repayment of bank borrowings and absence of dividends payout.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast had been issued.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Mechanical and Electrical (M&E) business segment is expected to remain challenging in the next 12 months with continuous pressures on contract values and stiff competition for new projects. Based on order books secured, the M&E business will remain the core business for the Group and is expected to contribute positively to the Group's results for the next 12 months.

As at the date of this Announcement, the Group has approximately S\$173 million worth of M&E engineering contracts on hand, with completion dates ranging from years 2017 to 2024.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared.

13. If the Group has obtained a general mandate from shareholders for interested person transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have any interested person transaction and no IPT mandate has been obtained.

14. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

The Company confirms compliance with Rule 720(1).

15. Confirmation pursuant to Rule 705(5) of the Listing Manual

We confirm on behalf of the Board of Directors, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited third quarter financial results of the Group and the Company for the period ended 31 December 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Chua Kim Hua
Executive Chairman

Chua Eng Eng
Managing Director

13 February 2018

BY ORDER OF THE BOARD

Catherine Lim Siok Ching
Company Secretary

13 February 2018